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SUBJECT: PROMISE AND PROBLEMS IN RURAL GUANAJUATO

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¶1. Summary. A visit to rural Guanajuato to see the Bajio Community Foundation's projects provided a good view of what works and what doesn't to spur local economic development. Most of these communities survive and grow on remittances, but some organizations and individuals are trying to create economic incentives for Mexicans to stay. Hurdles in the form of cultural and social traditions along with local politics make it a rocky road. End summary.

The Village Remittances Built

¶2. Beyond the bustling and colorful streets of Guanajuato city and other colonial jewels like San Miguel de Allende, the Guanajuato countryside is peppered with tiny gray towns, home to the families of Mexican migrants in the U.S. The contrasts are striking. Leaving the asphalt highway, we traveled mostly on a dirt road that is graded twice a year with contributions local residents receive from family working abroad. Remittances are building the houses, putting in the plumbing, buying the refrigerators and other appliances, and fixing up the churches. They pay for the big U.S. pick-up trucks in the carports. But there's no one around. In one town we visited in the Cuenca del Gusano (Worm's Basin) about one-quarter of the 100 houses were empty, and the rest housed partial families - parents and grandparents or wives and children.

¶3. We visited these villages at the invitation of the Bajio Community Foundation, named for this region of Mexico. Since 1998 the Foundation has coordinated a network of smaller NGOs and civic agencies, providing the glue for funding, know-how and other resources for development projects. Its mantra is to spur economic growth to keep Mexicans from migrating and keep families together here. Adriana Cortes, the Foundation's director, struck up a relationship with North Carolina communities that have recently experienced a jump in Hispanic population and now several local governments and civic groups help fund projects in Guanajuato. Students from the University of North Carolina visit in the summer to provide extra hands for projects while living with families and improving their Spanish language skills. Ms. Cortes spoke at the 2007 White House Conference on the Americas about the Foundation's progress.

¶4. This time of year, when the fields are dry and there's no rain in sight for at least two more months, it's hard to be optimistic about what could be done in these small towns to encourage development, entrepreneurship and growth. U.S. migration politics echo loudly along the hot dusty roads. In one family, four of the six men working in the U.S. were recently in jail. We met one of these deportees, just hanging around. Another father of three girls returned and tried to find work to stay with his family in the house his remittances built. But most jobs with decent pay in the nearby city of

Dolores Hidalgo require a high-school certificate, which he doesn't have since he went north before finishing school. Programs to complete high-school degrees are available, but not convenient to the villages, costing time and money. Another man's plan to buy a tractor and rent it to other families fell apart because he couldn't get a loan.

Focusing Locally

15. The Foundation nevertheless plugs away with focused, concrete community-based initiatives. For one year it funded supplies and training for a women's group to embroider products to sell locally or in the U.S. The women made lovely shawls, tablecloths and doilies, but found no market. The Foundation rechanneled its funding to a local university's business incubator counseling service to develop a plan for creating a viable business out of this endeavor. In Tamaula the Foundation put together funding for wells and an irrigation system, coordinating with a U.S. university. Tec de Monterrey's Irapuato campus manages a distance learning program to keep 17-19 year-olds in school, which appears to have had some success. But those kids won't go back to the jobless villages once they finish their studies. Like the Foundation's cheese-making project in Tamaula, it has created economic activity for the women, but that's not enough to keep the men from migrating to the U.S.

16. The Foundation combines private, government, civic and educational resources to improve local conditions. For the most part it avoids the Mexican Government's Three-for-One program, which combines federal funds and remittances for public infrastructure projects, because that money passes through many hands before reaching its goal. But the Foundation does bring in state officials to inform them about the communities' progress and enlist their assistance for services that the state can or should provide. Ms. Cortes recognizes that creating

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economic development takes sophisticated market research and deep cultural change, for example, when many families prefer to stick to planting corn or tomatoes. Project follow-up, as with the embroidery effort, is essential to make sure that plans don't get off track along the way.

Stumbling Blocks to Change

17. At a second village, Las Trancas, we visited a 450-year-old hacienda purchased by an American couple. In less than five years, but with enormous investment, they converted the building and grounds into a luxury guest house. The couple employs locals and has extensive plans to expand guest services to employ even more, as well as to contribute to the local school and other activities in Las Trancas. Now they've hit a stumbling block in the form of a local official who wants to run things-including their private property-his own way and who stirred up some of the villagers against the Americans. Since the Foundation is working with the hacienda on its community development plans, Ms. Cortes brought in state authorities to coordinate with the local mayor, and it looks like they may have reached a solution. This is an example of how local politics or a disgruntled individual can derail economic development, especially when it's perceived as coming from the outside or infringing on personal ambitions.

Comment: A Long Road

18. Neither economic development nor a reversal of the out-migration from rural Guanajuato will come quickly or easily. Moving remote communities from subsistence farming (actually less than subsistence since most actually survive on

remittances) to more sustainable economic activities is a long, slow process. Organizations like the Bajio Foundation that attempt this transformation probably will not succeed alone. They need investment from the outside, funds and infrastructure from the Mexican government, and political support to overcome daunting obstacles. Some rural Mexicans will stay home because it is more difficult to get to the U.S. these days. But others will continue to head north because it's a social tradition, a rite of passage, and the only way they can take care of their parents and children back home. Hopefully the Foundation and other projects like the hacienda investment will make a difference by spurring local growth.

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